

VISA EUROPE
SEPARATION OF SCHEME & PROCESSING
CODE OF CONDUCT

1 OVERVIEW

Why must Visa Europe separate its scheme and processing activities?

- 1.1 In 2015, the *Interchange Fee Regulation* (EU/2015/751¹) (“**IFR**”) came into effect. As well as introducing interchange fee caps, the IFR also required regulated card schemes, including Visa Europe, to separate regulated **scheme** and **processing** activities.
- 1.2 In order to comply with the IFR, our scheme activities are carried out by Visa Europe Limited (“VEL”) and processing activities are now carried out by a separate legal entity Visa Technology and Operations LLC (“VTO”), a US Company. VTO is a wholly-owned subsidiary of Visa Inc.

In the rest of this document, the parts of VEL that carry out the relevant scheme activities is referred to as Scheme and the part of VTO that carries out the relevant processing activities is referred to as Processing.

The requirement to separate is aimed at increasing competition in the processing market. This means that the Visa Europe scheme must not confer a competitive advantage on its own processing services vis-à-vis third party processors, to allow for all processors to compete for customers of the Visa Europe scheme in the EEA and UK.

What does the legislation mean?

- 1.3 The separation requirement only focuses on Visa Europe’s scheme and processing activities in the EEA and UK. When this Code of Conduct refers to Scheme or Processing, it means the Visa Europe Scheme and Processing activities in the EEA and UK.
- 1.4 **Separation requires that Scheme and Processing:**
- (a) DO work separately, and independently on IFR regulated activities;**
 - (b) DO take independent decisions on strategy, and pricing; and**
 - (c) DO NOT share confidential business information (“Sensitive Information”) with each other.**

- 1.5 Sensitive Information means information that (i) is not in the public domain; or (ii) is not available for a reasonable fee; and (iii) that could provide either Scheme or Processing with a competitive advantage compared to their competitors in the EEA and UK (see Section 2 for more detail).

- 1.6 Scheme and Processing can share some resources and services to avoid unnecessary and inefficient duplication of efforts and costs. Further guidance on which services may be relevant to both Scheme and Processing and the conditions which apply to those services are contained below in this Code of Conduct. For ease of reference, these services are referred to in this Code of Conduct as “**Shared Services**”.

Why should I read this Code of Conduct?

- 1.7 The Code of Conduct explains how we will comply with our legal obligations to separate our scheme and processing activities on a day-to-day basis and how this affects the way you do your job.
- 1.8 Additional guidance (i) for staff in Scheme and Processing and (ii) for staff providing Shared Services to Scheme and Processing is available in the **Annexes** to this Code of Conduct.

¹ A copy of the IFR can be found at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R0751>

- 1.9 Visa Europe is subject to specific regulatory oversight including by the Bank of England, the Payment Systems Regulator in the UK, and the European Central Bank and other competent authorities across the EEA and UK. We have compliance obligations that are audited and reviewed by both senior management and our regulators. Our compliance with this Code of Conduct will also be monitored.

It is the duty of all Visa staff to comply with the IFR separation regime, not just the senior management team or team based in Europe. Breaching this Code of Conduct could have very serious consequences for Visa Europe (including regulatory fines) and for individual staff (including dismissal).

- 1.10 Even if you are **not** based in the EEA or UK, this Code of Conduct is still relevant to you. The prohibition on exchanging Sensitive Information, directly or indirectly, between Scheme and Processing applies to everyone in Visa Group.

Summary of Key Dos and Don'ts

- 1.11 **DO** respect any IT or other **access restrictions** (e.g. physical work spaces) which are introduced. These are in place to ensure the independence of Scheme and Processing.
- 1.12 **DO NOT** exchange **Sensitive Information** between Scheme and Processing **either directly or indirectly**. This means:
- (a) if you work in Scheme, you must ensure that you do not **directly or indirectly** share Sensitive Information with someone in Processing; and
 - (b) if you work in Processing, you must ensure that you do not **directly or indirectly** share Sensitive Information with someone in Scheme.
- 1.13 **DO NOT** treat Processing more favourably than you would treat other third party processors if you work in Scheme, and **DO NOT** ask for more favourable treatment from Scheme if you work in Processing.
- 1.14 **DO NOT** offer customers discounts or other special offers or terms if they agree to use both Visa Europe's Scheme and Processing services.

Whom should I contact if have any questions or concerns?

- 1.15 You should seek advice, by emailing separationcompliance@visa.com, if you have any questions about particular tasks you are undertaking and how the Code of Conduct may apply to you.
- 1.16 We will update this Code of Conduct as appropriate in light of any relevant developments.
- 1.17 If you have any concerns about a possible breach of the Code of Conduct rules by you or another member of staff, please immediately call the following hotline in confidence: 66104320, to ensure that the issue can be considered without delay.

2 WHAT IS SENSITIVE INFORMATION?

- 2.1 You must not directly or indirectly share or exchange Sensitive Information between Scheme and Processing (or assist in doing so).
- 2.2 **As noted above, Sensitive Information means information that (i) is not in the public domain; or (ii) is not available for a reasonable fee; and (iii) that could provide either Scheme or Processing with a competitive advantage compared to their competitors in the EEA and UK.**

- 2.3 **Examples of Sensitive Information include:**
- (a) **Commercial discounts from published Scheme price lists;**
 - (b) **Variations to published standard Scheme products;**
 - (c) **Non-standard contract terms that are agreed to support an individual client by Scheme;**
 - (d) **Any details of Scheme commercial strategies;**
 - (e) **Any Processing Pricing prior to approval by the Processing Pricing Committee;**
 - (f) **Processing information relating to processing activities for a scheme other than Visa.**
- 2.4 Where otherwise information is made available for a fee (and therefore falls outside the definition of Sensitive Information) the fee must be set at a reasonable rate and must not unduly discriminate between Visa Europe's entities and third party entities. This means that Scheme or Processing may themselves be required to pay a fee for access to relevant Visa Europe information.
- 2.5 If you are in Scheme, you can share Sensitive Information with staff within the Visa Group, as long as the information is not provided to Processing (or its management), directly or indirectly.
- 2.6 If you are in Processing, you can share Sensitive Information with staff within the Visa Group, as long as the information is not provided to Scheme (or its management), directly or indirectly.
- 2.7 If you are unsure whether you are dealing with Sensitive Information, please always check with separationcompliance@visa.com before disclosing it to others within the Visa Group.
- 2.8 Some practical tips to remember are:
- (a) If you are in Scheme and are sending a document or any other electronic manifestation (for example email, presentations, documents) that you think might include Sensitive Information, **DO** label every page as ("Scheme Sensitive Information"); this will alert the recipient to the confidential nature of the information and warn them that s/he should not disclose the information to Processing;
 - (b) If you are in Processing and are sending a document or any other electronic manifestation (for example email, presentations, documents) that you think might include Sensitive Information, **DO** label every page as ("Processing Sensitive Information"); this will alert the recipient to the confidential nature of the information and warn them that s/he should not disclose the information to Scheme;
 - (c) **DO** always save documents in the correct (and, if appropriate, in a confidential) folder on the IT system;
 - (d) **DO** check any e-mail distribution lists carefully to make sure they do not include colleagues from Scheme (if the e-mail may contain Sensitive Information from Processing) or from Processing (if the e-mail may contain Sensitive Information from Scheme);
 - (e) If information is publicly available, **DO** say so in your correspondence or other documents and indicate the source of the information where possible to make it clear on the face of the document that information is not Sensitive Information; and
 - (f) **DO** remember that the restrictions on sharing of Sensitive Information also apply outside the work environment and to communications via mobile texting, instant messaging, social media or any other means.

3 HOW WILL SCHEME AND PROCESSING BE MANAGED?

- 3.1 Scheme and Processing will have separate, independent management in charge of each business. The respective management bodies of Scheme and Processing will approve separate and independent annual operating plans, budgets and accounts for Scheme and Processing respectively. The management of each of Scheme and Processing approve, review, monitor and are subject to Conflicts of Interest policies relating to the separation of Scheme and Processing.
- 3.2 You must respect this independence. If you work in either Scheme or Processing:
- (a) **DO NOT** disclose Sensitive Information (or ask staff in other parts of the wider Visa Group to do so) from Scheme to Processing or Sensitive Information from Processing to Scheme;
 - (b) **DO NOT** attempt to influence the strategy of Scheme (if you work in Processing) and Processing (if you work in Scheme); and/or
 - (c) **DO NOT** act jointly in any other way (without prior clearance from separationcompliance@visa.com).
- 3.3 If you provide a Shared Service to Scheme and Processing, you may be asked to help allocate your time and any costs (e.g. resource you used) in providing the Shared Services to Scheme or Processing respectively (see Annex 4).

4 WHAT DOES SEPARATION MEAN FOR YOU IN PRACTICE?

Office and IT access restrictions

- 4.1 You must respect any IT or other office access restrictions which are applied.
- 4.2 To prevent any inadvertent sharing of Sensitive Information, if you work in Processing you must not and will not be able to access IT systems containing Scheme Sensitive Information and if you work in Scheme you must not and will not be able to access IT systems containing Processing Sensitive Information.

Interaction between staff in Scheme and Processing

- 4.3 If you work in either Scheme or Processing:
- (a) you **can** work freely with staff providing Shared Services or in other parts of the Visa Group. However you must always take care to ensure that such cross-Visa working does not lead to any indirect exchanges of Sensitive Information between Scheme and Processing;
 - (b) you **must not** exchange Sensitive Information between Scheme and Processing;
 - (c) if you work in Processing and want to collaborate with Scheme then you must comply with Section 5 of the Code of Conduct;
 - (d) you **must not** treat Processing more favourably than you would treat other third party processors if you work in Scheme, and you **must not** ask for more favourable treatment from Scheme if you work in Processing; and/or
 - (e) you **must not** offer customers discounts or other special offers or terms in return for them agreeing to use both Visa Europe's Scheme and Processing services.

Customer Relationship Management

- 4.4 Initial customer queries may be received and handled by dedicated Account Executives, however Account Executives will not be able to negotiate Processing pricing which will be determined independently by Processing.

5 INTEROPERABILITY AND RULE CHANGES

- 5.1 Payment card schemes must not adopt or apply business rules that restrict interoperability among processing entities within the EEA and UK. Importantly however, Scheme is free to set appropriately justified rules or standards that it expects all participants to meet (for example to ensure the ongoing effectiveness and stability of the Visa Scheme). Additionally, innovation developed by Processing must ensure technical interoperability with schemes in the EEA and UK, through the use of standards developed by European or other international standardisation bodies. This interoperability rule also applies equally to all third party processors in the EEA and UK.
- 5.2 Where Processing wants to collaborate with Scheme, you must seek advice from separationcompliance@visa.com before engaging directly with Scheme as depending on the proposal, this process may also need to be available to, and require the involvement of, third party processors.

ANNEX 1

LIST OF DEFINED TERMS IN THE CODE OF CONDUCT

Key definitions used in this Code of Conduct are:

- (a) **Shared Services** means services, functions or activities which are carried out for the benefit of both Scheme and Processing;
- (b) **EEA** means Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Liechtenstein, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden;
- (c) **IFR** means the EU's Interchange Fee Regulation, Regulation 2015/751 of the European Parliament and of the Council dated 29 April 2015,² and any subsequent amendments, which applies in the EEA and the UK, which caps certain types of interchange fees and requires card schemes such as Visa Europe to separate their scheme and processing activities in the EEA and UK. Additional guidelines on how separation is to be achieved are contained in the Commission Delegated Regulation (EU) 2018/72 Regulatory Technical Standards³ (RTS). References to the IFR in this Code of Conduct include references to the RTS. In the UK, the IFR applies as amended by the Interchange Fee (Amendment) (EU Exit) Regulations 2019. In the EEA, the IFR applies by virtue of the Decision of the EEA Joint Committee No 2/2019 of 8 February 2019;
- (d) **Processing** means the performance of payment transactions processing services in terms of the actions required for the handling of a payment instruction between the acquirer and the issuer (see Article 2(27) IFR);
- (e) **Scheme** means a single set of rules, practices, standards and/or implementation guidelines for the execution of card-based transactions and which is separated from any infrastructure or payment system that supports its operation and includes any specific decision-making body, organisation or entity accountable for the functioning of the scheme (see Article 2(16) IFR);
- (f) **Sensitive Information** means information that (i) is not in the public domain; or (ii) is not available for a reasonable fee; and (iii) that could provide either Scheme or Processing with a competitive advantage compared to their competitors in the EEA and UK;
- (g) **Staff** means permanent and non-permanent workers that are subject to this Code of Conduct;
- (h) **UK** means the United Kingdom of Great Britain and Northern Ireland;
- (i) **Visa Europe** means Visa Europe Limited and Visa Europe Services, Inc. together with all their direct and indirect subsidiaries;
- (j) **Visa Group** means the corporate group comprising Visa Europe's ultimate holding company and all its direct and indirect subsidiaries.

² <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R0751>

³ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2018:013:FULL&from=EN>

**ANNEX 2:
SPECIFIC GUIDANCE FOR VEL STAFF
CARRYING OUT SCHEME ACTIVITIES**

- 1 This Annex builds on the guidance provided in the main body of the Code of Conduct (which you are expected to read and understand) and contains additional specific guidance for staff in VEL carrying out Scheme activities.
- 2 It is important that neither our procedures nor our day-to-day behaviour treats Visa Europe's Processing any more favourably than third party processors which support Visa Europe's scheme transactions in the EEA and UK.
- 3 Favourable treatment can come in many forms and VEL staff **must**:
- (a) **NOT** share Sensitive Information with Processing;
 - (b) **NOT** provide Processing with any insights into strategic decisions, innovations, investments or time-lines;
 - (c) **NOT** make any Scheme product or service dependent upon the customers also obtaining Visa Processing services (or ask Processing to impose such conditions);
 - (d) **NOT** offer bundled prices or other discounts in return for customers also agreeing to obtain services from Processing (or ask Processing to offer such discounts);
 - (e) **NOT** give Processing preferential or different terms of access to the Scheme compared to third party processors in the EEA and UK;
 - (f) **NOT** prioritise or otherwise give preferential treatment to requests from or services provided to Processing compared with requests/services from/to other third party processors in the EEA and UK;
 - (g) **SEEK ASSISTANCE** from separationcompliance@visa.com if a customer submits an RFP which covers Processing services for another card payment scheme;
 - (h) **ENSURE** that any changes made to the Visa Europe's Scheme (including as a result of any innovations) comply with Visa Europe's interoperability requirements under the IFR; and
 - (i) **LABEL** every electronic manifestation (for example email, presentations, documents) as "Scheme Sensitive Information" when sending a document that you think might include Sensitive Information; this will alert the recipient to the confidential nature of the information and warn them that s/he should not disclose the information to Processing,

UNLESS you have sought advice and approval from separationcompliance@visa.com that a legitimate exception applies to one of more of the points under Section 3(a) – (i) and you follow strictly the advice given.
- 4 You can work with staff providing Shared Services as required. However, when you do so, please ensure that this support is provided in accordance with the rules contained in this Code of Conduct.
- 5 You must also make sure that you do not *inadvertently* end up sharing **Sensitive Information** with Processing. In the event that you may have inadvertently shared Sensitive Information with Processing, you must immediately call the following hotline number: 66104320. If you are sharing Sensitive Information with a colleague providing Shared Services or other colleagues in the Visa Group, **DO** make sure they know it is Sensitive Information and should **NOT** be shared with anyone in Processing.

**ANNEX 3:
SPECIFIC GUIDANCE FOR PROCESSING STAFF**

- 1 This Annex builds on the guidance provided in the main body of the Code of Conduct (which you are expected to read and understand) and contains additional specific guidance for staff in Processing.
- 2 Processing staff **must**:
- (a) **NOT** share Processing Sensitive Information with Scheme;
 - (b) **NOT** provide Scheme with any insights into strategic decisions, innovations, investments or time-lines relating to Processing Pricing;
 - (c) **NOT** make any Processing product or service dependent upon the customers also obtaining services from Scheme (or ask Scheme to impose such conditions);
 - (d) **NOT** offer bundled prices or other discounts in return for customers also obtaining services from Scheme (or ask the Scheme to offer such discounts);
 - (e) **NOT** ask Scheme to give Processing preferential or different terms of access to the Scheme;
 - (f) **NOT** ask Scheme to prioritise or otherwise give preferential treatment to requests from or services to Processing compared with requests/services from/to other processors;
 - (g) **SEEK ASSISTANCE** from separationcompliance@visa.com if a customer submits an RFP which covers Processing services for another card payment scheme;
 - (h) **ENSURE** that any processing innovations comply with the interoperability requirements under the IFR; and
 - (i) **LABEL** every electronic manifestation (for example email, presentations, documents) as “Processing Sensitive Information” when sending a document that you think might include Sensitive Information; this will alert the recipient to the confidential nature of the information and warn them that s/he should not disclose the information to Scheme,

UNLESS you have sought advice and approval from separationcompliance@visa.com that a legitimate exception applies to one of more of the points under Section 3(a) – (i) and you follow strictly the advice given.
- 3 You can work with staff providing Shared Services whenever you need to. However, when you do so, please ensure that this support is provided in accordance with the rules contained in this Code of Conduct.
- 4 You must also make sure that you do not *inadvertently* end up sharing Sensitive Information with Scheme. In the event that you may have inadvertently shared Sensitive Information with Scheme, you must immediately call the following hotline number: 66104320. If you are sharing Sensitive Information with a colleague providing Shared Services or colleagues in other parts of the Visa Group, **DO** make sure they know it is Sensitive Information and should **NOT** be shared with anyone in Scheme.

ANNEX 4: SPECIFIC GUIDANCE FOR STAFF PROVIDING SHARED SERVICES

1 This Annex builds on the guidance provided in the main body of the Code of Conduct (which you are expected to read and understand) and contains additional specific guidance for staff providing Shared Services.

2 Shared Services are services, functions or activities which are **carried out for the benefit of both Scheme and Processing**.

3 Staff providing Shared Services may assist staff in both Scheme or Processing.

Sensitive Information

4 From time to time staff in Scheme and Processing will need to share Sensitive Information with you to enable you to support them with Shared Services.

5 However, it is very important that, if you are in possession of Sensitive Information you **DO NOT** then forward, exchange or reveal (directly or indirectly) Sensitive Information from Scheme to Processing or Sensitive Information from Processing to Scheme.

6 Some examples in this regard include:

- (a) **Legal** may be asked to review a processing contract between Processing and a third party for processing transactions under another Scheme. Details of the contract should not be disclosed to anybody in Scheme; and/or
- (b) **Finance** may be compiling the financial information of Scheme. None of this financial information should be disclosed to anyone in Processing.

7 It is very important that you take great care when handling Sensitive Information to avoid inadvertent disclosures of such information between Scheme and Processing.

8 **SEEK ASSISTANCE** from separationcompliance@visa.com if a customer submits an RFP which covers Processing services for a card payment scheme other than Visa;

9 To protect against such disclosures, always:

- (a) **DO** ask whether the information is Sensitive Information when it is given to you;
- (b) **DO** make sure you label the information so it is clear if it is from Scheme or Processing;
- (c) **DO** save it to the correct IT drive;
- (d) **DO** use different passwords for Scheme and Processing documents and information; and
- (e) **DO** grant access to documents and information appropriately.

Cost allocation and activity-based costing requirements

10 If you are providing a Shared Service, Finance may ask you to help them ensure that any time spent as well as costs and revenues are allocated appropriately between Scheme and Processing, depending on the support you are providing.

You should follow any instructions you have received, such as keeping accurate records of any time spent doing particular tasks and any costs incurred on specifically scheme- or processing- related services.